



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 14, 2001

TO: Mary Ann Wright, Associate Director *MAW*
THRU: Wayne Hedberg, Permit Supervisor *WH*
FROM: Tom Munson, Senior Reclamation Specialist *TM*
RE: Meeting with Resource Design Solutions on May 30, 2001 Regarding the Division's Noncompliance Letter, RDS 502, M/023/067, Juab County

Date of Meeting: June 11, 2001
Location: Conference Room A
Time of Meeting: 2:00 p.m.
Participants: George Finnegan, RDS; Mary Ann Wright, Wayne Hedberg, and Tom Munson, DOGM

Purpose of the Meeting: To determine what the intentions of Resource Design Solutions were regarding resolution of the non-compliance.

This was the second meeting between Mr. Finnegan and the Division to resolve the non-compliance situation at RDS 502, Desert Mountain Property. Mr. Finnegan informed us that he had attempted to fill in an area surrounding the boulder with a bobcat and, as such, had not been able to complete the work because of inadequate equipment. He showed us pictures of this attempt.

Mr. Finnegan informed us that he had faxed information over to his insurance agent regarding the surety bond and had not heard back yet but would follow up on this and call us back by tomorrow. We informed him that his other options would be an Irrevocable Letter of Credit if the surety bond fell through. He stated that he would check this option out and get back to us that day or the next. The bond papers were going to reflect the entire \$33,250. A reclamation contract was to be completed and returned to us as soon as possible.

Mr. Finnegan also discussed the fact that the BLM wanted to have him purchase the rock from them for \$10/ton and \$2/ton for aggregate.

I received a phone call from Mr. Finnegan on June 12th, the day following our meeting. He stated that he could not get a surety bond and asked if he could have another week to try and get an Irrevocable Letter of Credit. I faxed him the joint LOC form on 6/12/01 and gave him a verbal extension to 6/19/01 to get an LOC. I also asked him to call me on Friday 6/15/01, with a progress report.

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